



Vermont Specialty Crop Block Grant Program

FISCAL YEAR 2015 REQUEST FOR PROPOSALS

The Vermont Agency of Agriculture, Food & Markets announces the availability of grant funds for the purpose of enhancing the competitiveness of Vermont specialty crops including fruits, vegetables, tree nuts, horticulture and nursery crops. These funds are awarded through a competitive review process guided by industry, nonprofit and government stakeholders.

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I. Overview

Funding Opportunity Description

Funding Source & Available Funds

The U.S. Department of Agriculture's Agricultural Marketing Service (AMS) awards Specialty Crop Block Grants to the 50 States, the District of Columbia, and U.S. Territories. In Vermont, the Agency of Agriculture, Food & Markets (VAAFMM) administers these funds to enhance the competitiveness of Vermont specialty crops. VAAFMM plans to award approximately \$200,000 in Specialty Crop Block Grant Program (SCBGP) funds in 2015.

AMS specifies that the purpose of the Specialty Crop Block Grant Program is "to solely enhance the competitiveness of specialty crops." Specialty crops are defined as "fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops, including floriculture."¹ AMS encourages projects that enhance the competitiveness of specialty crops, sustain farmers' livelihoods, and strengthen local economies. Visit www.ams.usda.gov/scbgbp for further details on the program, and review Appendix D for examples of previously funded projects in Vermont.

Goals & Funding Priorities

The Vermont Agency of Agriculture, Food & Markets, in partnership with statewide specialty crop industry stakeholders, has identified the following program goals and funding priorities for 2015. **Goals and funding priorities are *not* ranked.**

Goals

- Economic impact across Vermont's working landscape
- Environmental stewardship
- Farm viability and profitability

¹ AMS maintains a list of eligible specialty crops on its website at <http://1.usa.gov/1h0clj8>.

Goals and funding priorities are *not* ranked.

Funding Priorities

- Economic sustainability—including productivity enhancement, cost containment, and innovation
- Pest and disease management
- Food safety—including the handling, preparation, transport, and storage of specialty crops in ways that reduce foodborne illness.
- Value chain enhancement—including strengthening relationships between individuals, businesses, and organizations that build specialty crop value from production to consumption
- Market access (local, regional, national, or international), marketing, branding, and consumer education
- Organizational development—including strengthening producer associations and cooperative development

VAAFM strongly encourages projects proposing **innovative partnerships** that will develop new knowledge to strengthen specialty crop producers' operations.

VAAFM also encourages projects that address one or more **goals and indicators for strengthening Vermont's food system** identified in the *Farm to Plate Strategic Plan* (published by the Vermont Farm to Plate Network and the Vermont Sustainable Jobs Fund). Find these goals at <http://bit.ly/1MxZ5hJ>.

Multi-state projects that address challenges and opportunities that cross state boundaries are encouraged. AMS recently published guidance for a multi-state projects competition established through the 2014 Farm Bill, including priority areas for funding. This guidance is available at <http://1.usa.gov/1BIce5W>, and we expect AMS to issue a request for proposals later this year.

Projects in support of **farmers markets**, farm stands, community supported agriculture (CSA) programs, and other direct marketing opportunities should consider submitting those projects to the Farmers Market and Local Food Program at www.ams.usda.gov/fmpp.

Application Review & Award Information

Vermont SCBGP funds will be awarded to projects that benefit the specialty crop industry through a competitive review process. Multi-year projects are encouraged: grants may be awarded for projects up to three years in length, and at least 50% of grant funds will be allocated to projects between 18 and 36 months in duration. Although awards are not capped, during previous grant rounds successful proposals have generally been awarded between \$10,000 and \$30,000 per project year. In addition, grants must follow USDA guidelines for allowable costs. Review **Appendix C: Allowable Costs & Activities** or download the SCBGP General Award Terms and Conditions at <http://1.usa.gov/1z9QUjs> for further detail.

A committee of at least five produce industry stakeholders, including at least two farmers, will review all applications and make recommendations to VAAFM. VAAFM will make final recommendations to the Secretary of Agriculture on all awards.

Your application should demonstrate how the proposed project will impact and produce measurable outcomes for the specialty crop industry—rather than a single business, organization, or individual. The following are examples of acceptable and unacceptable projects:

Examples of Unacceptable Projects

- A company requests funds to purchase equipment used to plant, cultivate, and grow a specialty crop for the purpose of making a profit or to expand production within a single business.
- A farm requests funds to market its roadside stand or another aspect of its individual business.
- A single specialty crop organization requests funds to promote its organization in order to increase its own membership.

Examples of Acceptable Projects

- A producer group or university research group requests funds to conduct research on the feasibility of planting, cultivating, and growing a specialty crop in a particular area, the results of which can be shared with growers throughout the state.
- A grower requests funds to establish a new cooperative that will help other specialty crop producers diversify their operations and meet market demand.
- An organization requests funds to promote Vermont specialty crops to new markets, and access to these markets will benefit a variety of specialty crop producers.

II. Eligibility & Funding Restrictions

Please Note: Preference will be given to projects that have not received Specialty Crop Block Grant Program funding in the past, but applications that build on a previously funded SCBGP project may be submitted. In such cases, the application should clearly indicate how the project complements previous work. A follow-up proposal is allowed only after (1) the original SCBGP project has been completed and (2) the final report has been submitted to and accepted by USDA. A follow-up proposal to an in-progress SCBGP project is not allowed.

- Any entity may apply, provided that the proposed project benefits the specialty crop industry and aligns with program requirements, including funding restrictions.
- Projects must solely enhance the competitiveness of U.S. or U.S. territory-grown specialty crops in either domestic or foreign markets. Visit www.ams.usda.gov/scbgp for a list of eligible specialty crops and ineligible commodities.
- Each project must identify at least one expected measurable outcome that specifically demonstrates the project's impact in solely enhancing the competitiveness of eligible specialty crops.
- We encourage applications that prioritize and further expand funding to projects that are supported by and address the needs of Vermont specialty crop growers.
- Applications should describe how the project potentially affects and produces measurable outcomes for the specialty crop industry and/or the public rather than a single business, organization, or individual. AMS will not fund projects that solely benefit a particular commercial product or provide a profit to a single business, organization, or individual. Single businesses, organizations, or individuals are encouraged to participate as project partners.
- We will not award funds to an entity to compete unfairly with private companies that provide equivalent products or services or fund projects where one organization attempts to disparage the mission, goals, and/or actions of another organization.
- If matching funds are proposed as a mechanism to ensure all grant funds will solely enhance the competitiveness of eligible specialty crops, the recipient must keep adequate records to identify and document the specific costs or contributions proposed to meet the match or cost-share and the source of funding or contributions as well as document how the valuation was determined.
- Applicants with previous participation that have incomplete or unsatisfactory performance may be ruled ineligible for participation at the sole discretion of VAAFM.

III. Matching Funds

All proposals must show matching funds representing 50% of the grant request. For instance, for a grant request of \$10,000, the applicant must demonstrate at least \$5,000 in match. This 50% match may be a combination of cash and in-kind funds. Under limited circumstances, match requirements may be reduced or waived for projects that can justify the need for a reduced match. Waiver requests must outline the impact of the project and indicate any special circumstances that justify this consideration.

Matching funds may be used to ensure all SCBGP funds will solely enhance the competitiveness of specialty crops. If your project may benefit non-specialty crop industries (e.g., grain, livestock, or dairy), you must document how you have determined how the specific costs or contributions proposed to meet the match will cover the appropriate percentage of non-specialty crop industries.

For example, a project promotes Vermont-grown specialty crops through marketing agritourism opportunities. Non-specialty crop farms account for 40% of the farms participating in the agritourism program; therefore a 50% match will be adequate to account for any benefit the non-specialty crops farms could gain from the proposed project.

IV. Deadlines & Key Dates

Deadlines

All applicants must submit a **letter of intent (LOI)** to VAAFM by **April 3, 2015**. Please review Section VII, Scoring Criteria, carefully to ensure that your application addresses the areas that will be evaluated by the review committee. Instructions for submitting your LOI are provided below. Projects with the highest ranking LOI scores will be asked to submit full proposals.

For those that have been invited to apply, the deadline to submit full proposals will be **May 15, 2015**.

Application instructions, format, and scoring criteria are provided in Sections V, VI, and VII.

Key Dates

April 3, 2015	Deadline to submit Letters of Intent (LOIs)
April 20, 2015	LOI feedback returned to applicants—selected applicants will be invited to apply
May 15, 2015	Deadline to submit full proposals
June 6, 2015	Final funding decisions made
June 30, 2015	State plan submitted to AMS
August 2015	Grantees notified of AMS decisions—some adjustments to projects may be required
Fall 2015	Funds disbursed

V. Application Instructions

Letter of Intent Instructions

Your letter of intent (LOI) must be submitted electronically at <http://bit.ly/vtscbgploi> by Friday, April 3, 2015 at 4:30 PM.

To prepare your LOI, follow the instructions below:

- 1) Review this document— *Vermont SCBGP FY 2015 Request for Proposals* —in its entirety.
We encourage applicants to also review the **goals and indicators for strengthening Vermont's food system** identified in the *Farm to Plate Strategic Plan* (published by the Vermont Farm to Plate Network and the Vermont Sustainable Jobs Fund). Find these goals at <http://bit.ly/1MxZ5hJ>.
- 2) Draft responses to LOI questions in a word processor or text editor (e.g., Google Docs, Microsoft Word, or TextEdit), and be prepared to enter your responses in the online form at <http://bit.ly/vtscbgploi>. LOI questions are listed below.
- 3) Prepare and attach the one-page **Budget Sheet** showing budget categories and describing the sources of matching funds. Be sure to show the required matching funds (50% of total grant request).

Be sure to consider Section VII, Scoring Criteria, before completing your LOI. After reviewing LOIs, the review committee will invite applicants with the top-ranking projects to submit full proposals.

Applicant Information

Please be ready to provide the following information:

- Project title.
- Date, name, name of business or organization, phone number, email address, and lead applicant affiliation.
- Which specialty crop industries will your project promote? (Please list all that apply.)
- Which state goals and funding priorities will your project address? (Please list all that apply.)

Partner Organizations & Support

- List all partner organizations that are formally participating with you in this project. If you are the only formally participating organization, specify this.
- List any specialty crop stakeholders other than the applicant, individuals, and organizations directly involved who support this project and explain why. Non-producer organization applicants may include a letter of support from a producer organization or industry group. Producer organization applicants may include a membership list and your board of directors.

Proposal Summary

Keeping in mind the goals and priorities listed in Section I and the scoring criteria in Section VII, please provide a concise project summary (maximum 500 words) that addresses the following:

- The specific issue, problem, or need your project will address
- Project duration (up to 3 years)
- Has this project been funded previously? If so, what is the sustainability plan?
- How does this project demonstrate or promote innovation?

Expected Outcomes

Provide a description (maximum 250 words) of expected outcomes that addresses the following:

- What outcomes are expected as a result of this project?
- How will outcomes be measured?
- Describe your project's impact on the specialty crop industry.
- Describe your monitoring and evaluation plan.

Estimated Project Budget

Be prepared to enter the following:

- Specialty Crop Block Grant Program request
- Matching funds
- Total project budget (including matching funds)

Be prepared to attach a project budget in a table using the template below. Please tell us the overall estimated budget for this project, including funding from other sources. In this section, indicate any intent to apply for a waiver of the matching funds requirement. Consult **Appendix C: Allowable Costs & Activities** if you have questions about whether certain costs can be funded by the Vermont SCBGP.

CATEGORY	SCBGP REQUEST	MATCHING FUNDS	MATCH SOURCE	TOTAL
Personnel				
Fringe Benefits				
Travel				
Equipment				
Supplies				
Contractual				
Other				
TOTAL				

Please Note: If a project runs the risk of benefiting non-specialty crop industries (e.g., grain, livestock, or dairy), it must be clear how you have determined that matching funds will cover the appropriate percentage of non-specialty crop industries.

Application Instructions

Only applicants that have submitted a letter of intent and been invited to apply may submit a full application. VAAFM will notify applicants in mid-April of their invitation to apply.

Your application must be submitted electronically at <http://bit.ly/vtscbgpapp> by Monday, May 25, 2015 at 4:30 PM. To prepare your application, follow the instructions below:

- 1) Review this document—*Vermont SCBGP FY 2015 Request for Proposals*—in its entirety.
- 2) The first page of the link will collect all necessary applicant information (equivalent to the cover sheet used in past grant rounds).
- 3) Copy and paste your abstract into the space provided. For project tracking purposes we ask that you provide your abstract into the form as well as having it in your final submitted proposal.
- 4) Prepare and attach your full project proposal. Project proposals should have all the components outlined in this section including the budget.
- 5) Obtain and attach at least one letter of support from a partner organization or specialty crop producer.

Please be sure to review **Section VII, Scoring Criteria**, before completing your application.

We also encourage applicants to review the **goals and indicators for strengthening Vermont's food system** identified in the *Farm to Plate Strategic Plan* (published by the Vermont Farm to Plate Network and the Vermont Sustainable Jobs Fund). Find these goals at <http://bit.ly/1MxZ5hJ>.

Your application must be submitted electronically at <http://bit.ly/vtscbgpapp> by 4:30 PM on May 25, 2015.

VI. Application Format

Page 1: Applicant Information

Please be ready to provide the following information:

- Project title, DUNS number,² and business or organization.
- Date, contact name, contact title, address, phone, email, and lead applicant affiliation.
- Which specialty crop industries will your project promote? (List all that apply.)
- Which state goals and funding priorities will your project address? (List all that apply.)
- List all partner organizations that are formally participating with you in this project. If you are the only formally participating organization, specify this.

Page 2: Project Proposal and Attachments

You may use this subsection as a template for your proposal attachment.

Project Title

Use 15 words or fewer.

Abstract

Include a project summary of 250 words or less suitable for dissemination to the public. It should include the need for the project, a brief description of the goals and outcomes, and your plan for evaluating and measuring the success of the project or program.

Project Partner Organization

Include the name of the applicant organization that will establish an agreement or contractual relationship with the Vermont Agency of Agriculture, Food & Markets to lead and execute the project.

Project Purpose

- What is the specific issue, problem, or need that the project will address?
- Why is the project important and timely?
- What are the objectives of the project?

² Applicants must have a Data Universal Number System (DUNS) number at the time of application. A DUNS number is a unique number established and assigned by Dun and Bradstreet, Inc. (D&B) to identify organizations. Applicants may acquire a DUNS number at no cost online at <http://fedgov.dnb.com/webform>. To acquire a DUNS number by phone, contact the D&B Government Customer Response Center at 1-866-705-5711. Allow at least 1 week for processing.

- If any of the project activities or costs has the potential to enhance the competitiveness of non-specialty crops, describe the methods or processes you will implement to verify all grant funds are expended on activities and costs that only enhance the competitiveness of eligible specialty crops. If you propose a cost-share or match to cover non-specialty crop activities and costs, include the specific costs or contributions proposed to meet the cost-share or match, the source of funding or contributions, and describe how you determined the appropriate amount of cost-share or match. You must keep adequate records to identify and document the specific costs or contributions proposed to meet the cost-share or match, distinguish the source of funding or contributions, and document how you determined the appropriate amount of cost-sharing or match.
- If the project is a continuation of a project that the Specialty Crop Block Grant Program (SCBGP) funded previously, describe how the project differs from and builds on the previous project's efforts. Describe also the likelihood of the project becoming self-sustaining and not indefinitely dependent on grant funds. Specifically, provide a summary (3 to 5 sentences) of the accomplishments of the project that have led you to seek continued funding.
- Have you submitted the project to another Federal or State grant program other than the SCBGP for funding and/or is another Federal or State grant program other than the SCBGP funding the project currently?
 - If no, indicate that you have not.
 - If yes, identify the Federal and/or State grant program by name and describe how the new project differs from and supplements efforts of the SCBGP and the other Federal or State grant program rather than duplicates funding efforts. The SCBGP will not fund duplicative projects.

Potential Impact

This section must show how the project benefits the specialty crop industry and/or the public or multiple states rather than only a particular commercial product, single organization, institution, or individual.

- Who are the specialty crop beneficiaries of the project?
- How many specialty crop beneficiaries will the project benefit?
- How will the project benefit the specialty crop beneficiaries?
- What is the potential economic impact of the project, if it can be estimated?
- If applicable, how will the project have a multi-state (benefitting two more or states) or national impact?

Expected Measurable Outcomes

Provide at least one distinct, quantifiable, and measurable project outcome that solely supports enhancing the competitiveness of eligible specialty crops. If the outcome measures are long-term and occur after the

project's completion, identify an intermediate outcome that occurs before the end of the grant period and that is expected to help lead to the fulfillment of long-term outcomes. Steps to developing outcome measures can be found in Appendix A.

For each outcome measure, provide the following:

Goal

A goal is what you hope to achieve as a result of conducting the activities and producing the outputs (tangible results that can be seen, touched, handled, or moved about) of the project. Examples of outcome-oriented goals could include a change in knowledge, change in behavior, or change in conditions that make a difference for the beneficiaries of the project.

Performance Measure

Identify a performance measure for each goal that you will use to measure the actual project results compared to the expected results. These are usually expressed in quantifiable terms and should be objective and measurable (numeric values, percentages, scores and indices, although in certain circumstances qualitative measures are appropriate).

Benchmark

For each performance measure provided, include the benchmark. The benchmark is the baseline data against which you will measure your success. Examples of a benchmark could include current or initial level of knowledge, current behavior, or current conditions.

Target

For each benchmark provided, indicate the target. The target is the level of change that you anticipate by the completion of the project. This is *not* the target audience or target population.

Performance Monitoring Plan

- How will you monitor your progress toward achieving each GOAL?
- What are your data sources for monitoring performance? For example, will you conduct surveys or use questionnaires?
- How will you collect the required data? Be sure to include the frequency of your data collection.
- How will the results of your project be shared with specialty crop growers and other interested stakeholders?

Work Plan

Project Activity	Who will do the work?	When will each activity be accomplished?
<i>Describe the project activities that are necessary to accomplish the objectives. Make sure you include your performance monitoring/data collection activities.</i>	<i>Indicate the project participants who will do the work of each activity, including sub-recipients, and/or contractors. If you request grant funds for personnel and contractors, you must include them in the work plan to demonstrate the requested funding is warranted. If you request funds for travel, these activities must also be included.</i>	<i>Include a timeline that indicates when each activity will occur (at least month and year) and beginning and end dates for the project. Make sure the work plan timeline shows that the project will be completed within the allowable grant period.</i>

Project Commitment

Describe the specialty crop stakeholders other than the applicant, individuals, and organizations directly involved who support this project and explain why.

Non-producer organization applicants should include at least one letter of support from a producer organization or industry group. Producer organization applicants should include a membership list and your board of directors. (The Wufoo form will include a space for you to upload these documents. If you have more than one letter, please combine them into one PDF.)

Budget Narrative

All expenses described in this Budget Narrative must be associated with expenses that will be covered by the SCBGP. Expenses to be covered with matching funds must be described separately. Consult **Appendix C: Allowable Costs & Activities** to ensure that your costs can be funded through the Vermont SCBGP.

All projects must show matching funds representing 50% of the grant request. For instance, for a grant request of \$10,000, the applicant must demonstrate at least \$5,000 in match. This 50% match may be a combination of cash and in-kind funds. The budget narrative should clearly show the federal funds that support the project. In the matching funds line, please do not commingle non-federal funds with federal funds in each budget section. To request a waiver to the match requirement, please submit a statement outlining program impact and special circumstances that justify this consideration (maximum 250 words).

All SCBBP-funded costs must solely enhance the competitiveness of specialty crops. At minimum, the costs of activities that solely benefit specialty crops must be readily distinguishable from other financial activities. If you cannot do this or it is impractical to segregate these costs, then the costs cannot be funded by the SCBGP. Expenses to be covered with SCBGP funds must be described separately from expenses to be covered with matching funds.

Budget Summary

Expense Category	Funds Requested	
Personnel		
Fringe Benefits		
Travel		
Equipment		
Supplies		
Contractual		
Other		
	Total Budget	

Personnel

List the organization's employees whose time and effort can be specifically identified and easily and accurately traced to project activities that solely enhance the competitiveness of specialty crops.

Name/Title	Level of Effort (# of hours or % FTE)	Funds Requested
	Personnel Subtotal	

Fringe Benefits

Provide the fringe benefit rates for each of the project's salaried employees described in the Personnel section that will be paid with SCBGP funds.

Name/Title	Fringe Benefit Rate	Funds Requested
	Fringe Subtotal	

Travel

Explain the purpose for each Trip Request. **Travel costs are limited to those allowed by formal organizational policy; in the case of air travel, project participants must use the lowest reasonable**

commercial airfares. For recipient organizations that have no formal travel policy and for-profit recipients, allowable travel costs may not exceed those established by the Federal Travel Regulation, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at <http://www.gsa.gov>. Include additional justification of travel expenses as needed.

Trip Destination	Trip Purpose	Type of Expense (airfare, car rental, hotel, meals, mileage, etc.)	Unit of Measure (days, nights, miles)	Number of Units	Cost per Unit	Number of Travelers Claiming the Expense	Funds Requested
<i>Travel Subtotal</i>							

Equipment – Special Purpose & General

Describe any special purpose equipment to be purchased or rented under the grant. “Special purpose equipment” is tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000, and is used only for research, scientific, or other technical activities.

Rental of “general purpose equipment” must also be described in this section. “General purpose equipment” is tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000, and is used for other than research, scientific, or other technical activities. **Purchase of general purpose equipment is not allowable under this grant.**

Item Description	Justification for Equipment	Rental or Purchase	Funds Requested
<i>Equipment Subtotal</i>			

Supplies

List the materials, supplies, and fabricated parts costing less than \$5,000 per unit and describe how they will support the purpose and goal of the proposal and solely enhance the competitiveness of specialty crops.

Item Description	Justification for Supplies	Per-Unit Cost	Number of Units/Pieces Purchased	Funds Requested
<i>Supplies Subtotal</i>				

Contractual/Consultant Costs

Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship. If there is more than one contractor or consultant, each must be described separately. (Repeat this section for each contract/consultant.)

- If the contractor/consultant has already been selected, verify that you have used procurement procedures which reflect applicable State and local laws and regulations and conform to the Federal laws and standards identified in 7 CFR Part 3019.40 through 48 or 3016.36, as applicable. (State applicants should verify that they have followed the same policies and procedures it uses for procurements from its non-federal sources.)
- If a contractor/consultant has not yet been selected, provide an acknowledgement that the procurement processes have not yet been conducted and an assurance that you will use your organization's own procurement procedures which reflect applicable State and local laws and regulations and conform to the Federal law and standards identified in 7 CFR Part 3019.40 through 48 or 3016.36, as applicable. (State applicants should provide an acknowledgement that the procurement processes have not yet been conducted and an assurance that the State applicant will follow the same policies and procedures it uses for procurements from its non-federal sources.)

Provide an itemized budget (personnel, fringe, travel, equipment, supplies, other, etc.) with appropriate justification. If indirect costs are/will be included in the contract, include the indirect cost rate used. Note that the Vermont Specialty Crop Block Grant Program cannot fund indirect costs.

Contractor employee and consultant hourly rates of pay should not exceed the salary of a GS-15 step 10 Federal employee in your area (for more information please go to <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2014/generalschedule>). This does not include fringe benefits, travel, indirect costs, or other expenses. See Appendix C: Allowable Costs & Activities for further detail.

<i>Contractual/Consultant Subtotal</i>	
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Other

Include any expenses not covered in the previous budget categories. Be sure to break down costs into cost per unit. Expenses in this section could include, but are not limited to, meetings and conferences, communications, rental expenses, advertisements, publication costs, and data collection. **See Appendix C for a breakdown of allowable and unallowable costs.**

If you budget meal costs for reasons other than meals associated with travel per diem, provide an adequate justification to support that these costs are not entertainment costs.

Grant funds cannot be used for costs associated with the use of trade shows, meeting rooms, displays, demonstrations, exhibits, and the rental of space for activities that do not solely promote specialty crops.

Please Note: The SCBGP will not fund the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations of an existing building or facility (including site grading and improvement, and architecture fees).

Item Description	Justification of the Expense	Cost per Unit	Number of Units	Funds Requested
<i>Other Subtotal</i>				

Program Income

Program income is gross income directly generated by the grant-supported activity, or earned only because of the grant agreement during the grant period of performance. Program income includes, but is not limited to, income from fees for services performed; the sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or partially with grant funds); registration fees for conferences, workshops, etc.

Program income must be reinvested into to the project or program and used to further enhance the competitiveness of specialty crops. You are not accountable for program income earned after the period of grant support.

Source/Nature of Program Income	Description of how you will reinvest program income into to the project in order to further enhance the competitiveness of specialty crops	Estimated Income
	<i>Program Income Total</i>	

VII. Scoring Criteria

Benefit to Specialty Crop Industry, Outreach Plan & Outcome Measures

Proposal demonstrates that it will enhance the competitiveness of specialty crops and will impact a significant number of beneficiaries. Project includes a strong outreach/information dissemination component to ensure a broad impact. Outcome measures are fully developed and realistic.

Up to 25 points

Relevance to State Priorities

The proposed project responds to an important need and relates directly to one or more of the funding priorities identified for 2015.

Up to 20 points

Efficient use of Resources

Proposal demonstrates partnership. Work plan and budget are realistic. Applicant has leveraged additional matching funds or organizational support to forward the project.

Up to 15 points

Partner Organizations & Support

Applicant lists the partner organizations formally participating with the lead applicant or specifies that applicant is the only participating organization. Applicant lists specialty crop stakeholders other than the applicant, individuals, and organizations directly involved who support the project and explains why.

Required for application; optional for letter of intent: Non-producer organization applicants provide at least one letter of support from a producer organization or industry group. Producer organization applicants provide a membership list and board of directors.

Up to 10 points

Experience and Previous Work

Applicant has a proven track record of successful experience in the type of activity proposed in the application. Proposed project builds from previous work on behalf of applicant or partner organizations.

Up to 10 points

Innovation

The project is innovative and develops new knowledge that can strengthen the operations of specialty crop producers.

Up to 10 points

Evaluation

The project includes a strong monitoring and evaluation plan and explains clearly how outcomes will be measured

Up to 10 points

VIII. Grant Management & Reporting

Please Note: Failure to adhere to reporting requirements and deadlines may disqualify grantee from further grants and/or impact future grant scores.

Grant Award Agreement & Payment

Prior to beginning work on the proposed project or receiving funding, successful applicants will be required to sign a Grant Award Agreement with VAAFM indicating their intention to complete the proposed tasks and authorizing VAAFM to monitor the progress of the proposed project. In addition to obtaining a DUNS number (required prior to application submission), successful applicants will be required to register with the federally run Central Contractor Registration database prior to issuance of the Grant Agreement. To register with CCR, go to www.ccr.gov, and click “Start New Registration” to begin.

Grant Award Agreements must be signed and returned to VAAFM within 30 days of receipt. Failure to submit an executed copy of the Grant Award Agreement within 30 days of receipt will result in the loss of awarded grant funds, unless the delay was caused by circumstances outside the control of the grantee. Grantees may submit an invoice for 40% of the total grant amount with their signed Grant Award Agreement. An invoice for an additional 40% of the total grant amount may be submitted with the first annual report. The remaining 20% of grant funds will be retained until receipt of the complete final report.

Reporting Requirements

VAAFM reserves the right to modify reporting requirements during the course of the project. Information submitted in any report to the Agency will be a public record. If the Grant Recipient considers any information in the report to be a trade secret protected, the Grant Recipient may request that trade secret information be kept confidential and must specifically label the information for which the claim is made. The Agency shall notify the Grant Recipient if a public records request is made for the information claimed as protected by the Grant Recipient. The Grant Recipient may then proceed to obtain judicial protection for the information.

Annual Reports

Annual performance reports are required by December 1 of each year at the end of the first year of the date of the signed grant agreement and each year until the expiration date of the grant period. Reports must detail the project status and how grant monies were used to achieve project outcomes outlined in the project proposal submitted with the grant application packet. Reports must also include a detailed financial report that tracks all expenditures against the project budget submitted with the grant proposal.

The annual performance report should be organized under, but not limited to, the following headings for each project:

Activities Performed

Briefly summarize activities performed, targets, and/or performance goals achieved during the reporting period for each project. Include favorable or unusual developments. It is encouraged to clearly convey progress toward achieving outcomes by graphing baseline data and showing the progress toward achieving set targets. If targets have already been achieved, amend the outcome measure to a —stretch goal, where the organization is challenged to go beyond what it is already doing. Identify the amended measurable outcome in the performance report.

Problems and Delays

Note unexpected delays or impediments for each project. Make sure to review measurable outcomes to determine if targets are realistic and attainable. An objective that is too stringent should be scaled back and identified in the performance report. Keep in mind that targets may slip due to all kinds of factors, such as employee turn-over and bad weather. Include revised work plan timelines.

Future Project Plans

Summarize activities performed, targets, and/or performance goals to be achieved during the next reporting period for each project. Describe the work accomplished in both quantitative and qualitative terms. Describe any changes that are anticipated in the project.

Funding Expended To Date

Provide information regarding the level of grant funds expended to date. In the event that a project gained income as a result of planned activities, provide the amount of this supplemental funding and how it will be reinvested into the project.

Final Reports

A final performance report will be required within 30 days following the end date of the grant agreement. The final report will be posted on the USDA-AMS web site and represents an important vehicle for sharing project findings with Federal and State agencies and the public.

The final report should be organized under, but not limited to, the following headings for each project:

Project Summary

An outline of the issue, problem, interest, or need for each project.

Project Approach

How the issue or problem was approached via the project.

Goals and Outcomes Achieved

How the performance goals and measurable outcomes were achieved for each project(s). If outcome measures were long term, summarize the progress that has been made towards achievement. It is encouraged to clearly convey progress toward achieving outcome measures by graphing baseline data and showing the progress toward achieving set targets.

Beneficiaries

Provide a description and quantitative data for the number of people or operations that have benefited from the project's accomplishments, and/or the potential economic impact of each project.

Lessons Learned

Outline lessons learned, results, and conclusions for each project. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving.

Contact Person

Contact person for each project with telephone number and email address.

Additional Information

We encourage submission of any supplemental publications, web sites, photographs, etc.

Budget Summary

Description.

Reporting Compliance

Applicants who do not submit semi-annual reports or who submit reports that do not meet all of the above reporting requirements will be required to return all previously disbursed funds to VAAFM.

Budget Adjustments

If a material change (10% or greater) in the budget is needed during the project period, a written request may be made to VAAFM to reallocate budget funds between budget categories. However, the total budget amount as dictated by the approved grant award cannot be adjusted.

In addition to the final project report, VAAFM reserves the right to conduct a follow-up survey of funded projects in order to determine long-term impacts.

Appendix A: Steps to Developing Outcome Measures

Outcome measures should include a goal, a performance measure, a benchmark, and a target. The following four steps provide guidance on developing outcome measures.

(1) Determine What the Project Will Accomplish

What are the intended results of the project? These may be expressed as goals or objectives.

Goals or objectives should be (a) based on a needs analysis (b) realistic results you hope to achieve through the project activities (c) specific and (d) outcome-oriented. Outcome-oriented objectives identify the ultimate result, while the work plan activities identify how you intend to achieve the objectives. When developing outcome-oriented objectives, ask yourself *why* you are performing each grant activity and specify not only what will be achieved, but also when those results will be achieved.

(2) Figure out How to Measure the Results and Select the Performance Measure

For each objective identified in step 1, select the performance measure. Performance measures are measures/indicators used to observe progress and measure actual results compared to expected results. They are usually expressed in quantifiable terms and should be objective and measurable (numeric values, percentages, scores and indices), although in certain circumstances qualitative measures are appropriate.

(3) Determine the Benchmark for Each Measure

For each measure identified in step 2, determine the benchmarks against which you will measure. Benchmarks are usually determined by researching past circumstances in the area you are trying to measure. As an alternative, you may use benchmarks established by third parties accepted as the standard-setters in your industry. If data does not exist, describe the lack of data. It may be appropriate in the first year to set less precise targets, such as “improvement,” where any increase represents outcome achievement, and set more concrete targets in subsequent years when benchmark data is available.

Use the benchmark data to set targets for the quantity of change expected. Targets may be framed in terms of—

- **Absolute level of achievement** (example: feed 150 homeless people);
- **Change in level of achievement** (example: feed 150 homeless people, 35 more than last year); or
- **Change in relation to the scale of the problem** (example: feed 150 homeless people, approximately 10% of the city’s homeless population).

If you are starting up a new project or trying new approaches, remember that little or no measurable progress will be evident in the project start-up phase. This delay in seeing measurable results should be reflected in target-setting. When setting targets, you should take into account external factors that influence your success. You may have a grand ultimate goal, but you should view annual targets as small steps toward that ultimate goal.

After you determine each measure's benchmarks, set target goals for future performance.

You may also want to set stretch goals by using benchmarks as your targets. Benchmarks tell you how the rest of the industry is doing; when you gather data for benchmarks, you look at the results of other organizations serving your type(s) of customers or doing your type of work. Another alternative is to include minimum and maximum targets in your application. For example, "We plan, at a minimum, for a 5% increase. However, we will strive for a 10% increase, which our data shows is possible if all external factors work in our favor and our new methodology yields the same results in the demonstration phase."

(4) Develop Your Performance Monitoring or Data Collection Plan

Define who your data sources are and how the data will be collected. If the project involves a survey, provide some information about the nature of the questions that will be asked, the methodology to be used and the population to be surveyed. If a draft questionnaire is available, you may want to include a copy with the application. Outline how data gathered will be used to correct deficiencies and improve performance, both as it is gathered and analyzed and in subsequent project periods. This data collection plan should be integrated into your work plan and budget. Define who your data sources are and how the data will be collected.

If the project involves a survey, provide some information about the nature of the questions that will be asked, the methodology to be used and the population to be surveyed. If a draft questionnaire is available, you may want to include a copy with the application. Outline how data gathered will be used to correct deficiencies and improve performance, both as it is gathered and analyzed and in subsequent project periods. This data collection plan should be integrated into your work plan and budget. When expected measurable outcomes are monitored outside the grant period, include the performance monitoring plan in the work plan and indicate how monitoring will occur after the grant period ends without Specialty Crop Block Grant Program funding.

Examples of Outcome Measures

Example 1

Goal: Promote specialty crop x in Mexico in order to increase export volumes.

Performance Measure: Derive volume increase from specialty crop commission assessment reports at the end of each year.

Benchmark 2007: Actual volume (20# equiv. cases) of specialty crop exported to Mexico – 53,969

Target 2008: 60,000

Target 2009: 70,000

Target 2010: 80,000

Example 2

Increase the number of specialty crop farmers following Good Agricultural Practices (GOAL) from the current 18 (BENCHMARK) to 55 in two years (TARGET) measured by the number of GAP audits passed (PERFORMANCE MEASURE).

Example 3

Increase fruit and vegetable purchases (GOAL) from the current level of \$2.50 (BENCHMARK) to at least \$3 per enrolled student in awarded schools in one year (TARGET) measured by bi-annual school reports (PERFORMANCE MEASURE).

Example 4

Work directly with specialty crop industry X to develop a uniform tool to access the health of their specialty crops to give the industry early warning of potential problems in order to optimize their management practices (GOAL). No such tool currently exists (BENCHMARK). The success of the evaluation will be measured by interviewing 20 stakeholders at the end of three years to determine if they developed the tool (TARGET and PERFORMANCE MEASURE).

Example 5

Increase visits to the Specialty Crop Website (GOAL) 25% over the course of one year (TARGET) from the current 9,000 annual hits (BENCHMARK) by measuring website visits each month over the next year (PERFORMANCE MEASURE).

Example 6

Increase consumer awareness of specialty crops by distributing 1000 pieces of informational materials containing locations where to purchase specialty crops (GOAL). Six months after distribution, survey 50 locations (PERFORMANCE MEASURE) to determine if sales increased by 25% (TARGET) from the level before distribution of marketing materials (BENCHMARK).

Appendix B: Helpful Tips

Research Projects

Be sure the **Project Commitment** section demonstrates that the project has the support of specialty crop stakeholders outside of the lead organization and that the **Work Plan** and **Expected Measurable Outcomes** sections of the proposal demonstrate benefit to the specialty crop industry through dissemination of project results and other industry outreach.

Audit Cost Share Programs

Be sure that plans are in place to reach out to the specialty crop industry in your state in order to generate sufficient interest in the program.

Marketing Projects

Be sure the project proposal clearly demonstrates how funds will be used to *solely* enhance the competitiveness of specialty crops rather than a specific business, organization, or individual. In addition, note that promotional items must promote specialty crops rather than a specific brand or market.

Projects for an Individual or For-Profit Organization

Be sure that the project proposal clearly demonstrates benefit to the broader specialty crop industry as a whole rather than to the business or individual.

Double Value Incentive Programs

Be sure that the proposal clearly demonstrates how funds will be used to *solely* enhance the competitiveness of specialty crops. Make sure mechanisms are in place and are adequately described in the project proposal to ensure that purchases of non-specialty crops are not doubled through this program regardless of whether the incentive can only be used for eligible specialty crops. Since the matching benefits may not double fruit and vegetable purchases or consumption, this *does not* solely enhance the competitiveness of specialty crops.

Grant funds cannot be used for coupon/incentive redemptions or price discounts. Costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (i.e., a print advertisement that contains a clip-out coupon) are allowable only if they solely promote the specialty crop rather than promote or benefit a program or single organization.

Sponsorship Programs & Expenses

Keep in mind that the costs associated with sponsorships are considered to be a contribution or donation, which are not allowed. Additionally, sponsorships only benefit the organization offering the money. This limits the beneficiaries to the sponsor organization, which conflicts with the restriction that projects impact and produce measurable outcomes for the specialty crop industry and/or the public rather than a single business, organization, or individual.

Projects that Include a Value-Added Product

Make sure the product consists of more than 50% of the specialty crop by weight, exclusive of added water.

Projects that Measure Success by an Increase in Sales

Be sure that your proposal demonstrates a capacity to collect and that the vendors have the willingness to share the necessary data to report on this outcome.

Projects that Build on a Previous SCBGP Grant

Be sure to clearly demonstrate how the new project differs from and complements rather than duplicates the efforts and funding of the previous project.

Appendix C: Allowable Costs & Activities

Adapted from USDA AMS, *Specialty Crop Block Grant Program General Award Terms and Conditions*. Original text available from <http://1.usa.gov/1z9QUjs>. Last updated 4/15/14.

This appendix is intended as a general guide to allowable costs and activities under the federal grant program; the Vermont Specialty Crop Block Grant Program may restrict certain costs in addition to USDA AMS guidelines.

All costs must solely enhance the competitiveness of specialty crops. At minimum, the costs of activities that solely benefit specialty crops must be readily distinguishable from other financial activities. If you cannot do this or it is impractical to segregate these costs, then the costs are not allowable.

This appendix is not all-inclusive. You should consult the Federal cost principles for the complete explanation of the allowability of costs they address. (The **Electronic Code of Federal Regulations** is available at <http://www.ecfr.gov>.) If you have questions concerning the allowability of costs after reviewing this appendix and the associated Federal cost principles, contact the SCBGP program administrator at the Vermont Agency of Agriculture, Food & Markets.

Direct & Indirect Costs

Direct costs are costs that can be identified specifically with a particular award, project or program, service, or other organizational activity or that can be directly assigned to such an activity relatively easily with a high degree of accuracy. Typically, direct costs include, but are not limited to, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant-supported project or program.

Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity. Table 1 below includes typical indirect costs for specific types of organizations. The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where *all* of the following conditions are met:

- (1) administrative or clerical services are integral to a project or activity;
- (2) individuals involved can be specifically identified with the project or activity;
- (3) such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) the costs are not also recovered as indirect costs.

The Vermont Specialty Crop Block Grant Program cannot fund indirect costs. (In your proposed budget, matching funds may be used to cover indirect costs.) You are responsible for presenting costs consistently and must not include costs associated with your indirect rate as direct costs.

Table 1. Typical Indirect Costs by Organization Type

<i>Type of Organization</i>	<i>Typical Indirect Costs</i>
Non-Profits	General administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.
Colleges and Universities	Equipment and capital improvements, operation and maintenance expenses, library expenses, general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, depreciation and use allowances, and interest on debt associated with certain buildings.
State and Local Governments	State/local-wide central service costs, general administration of the recipient department or agency, accounting and personnel services performed within the recipient department or agency, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.

Costs Requiring Prior Approval

If a cost or activity requiring AMS SCBGP prior approval is not included or fully described in the approved application, you must obtain post-award prior approval as described in **8.0 Changes Requiring Prior Approval** in *SCBGP General Award Terms and Conditions* at <http://1.usa.gov/1z9QUjs>.

Selected Cost Items

Administration Costs

Administration costs, defined as indirect costs, cannot be funded through the Vermont Specialty Crop Block Grant Program.

Advertising and Public Relations and Selling and Marketing Costs

Allowable if the primary purpose is to promote the sale of an eligible specialty crop by either stimulating interest in a particular specialty crop or disseminating technical information or messages for the purpose of increasing market share for the specialty crops.

Advertising and Public Relations –Promotion of an organization's image, logo, or brand name

Unallowable for advertising and public relations costs designed solely to promote the image of an organization, general logo, or general brand rather than eligible specialty crops.

- A promotional campaign to increase sales of “Vermont Grown” sweet corn is acceptable while increasing brand awareness of “Vermont Grown” generically is not.

- Promoting tomatoes while including an organization's logo in the promotion is acceptable, while generally promoting an organization's logo is not.
- Promotional items could say "Buy Vermont Grown Apples" but not "Vermont Grown," which promotes Vermont generically.
- A promotional campaign to increase producer sales of "Vermont Grown Co-op fruits and vegetables" is acceptable while increasing membership in "Vermont Grown Co-op" generally is not.

Advertising and Public Relations - Promotion of non-specialty crop activities

Unallowable for advertising and public relations costs for promotion at non-specialty crop specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc.

- Advertisements could say "Buy Sweet Corn! It is the Best!" but not "Buy Local."
- Advertising educational sessions at a conference that solely benefits specialty crop growers are acceptable, while advertising a non-specialty crop specific local food conference is not.

Advertising and Public Relations - Promotional items

Allowable for promotional items that solely promote specialty crops rather than a single organization, general brand, or general logo.

Distribution of any promotional item must not be contingent upon the consumer, or other target audience, purchasing a good or service to receive the promotional item.

- Promotional items could say "Buy Vermont Grown Apples" but not "Vermont Grown."

Advertising and Public Relations - Gifts, prizes, etc.

Unallowable for gifts, prizes, memorabilia, and souvenirs.

Advertising and Public Relations - Sponsorships

Unallowable for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs are considered a contribution or donation and only benefit the organization offering funding. This limits the beneficiaries to the sponsor organization, which conflicts with the restriction that projects affect and produce measurable outcomes for the specialty crop industry and/or the public rather than a single organization, institution, or individual.

Advertising and Public Relations - Coupons, Incentives or Other Price Discounts

Unallowable for costs of coupon/incentive redemptions or price discounts. Costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) are allowable only if they solely promote the specialty crop rather than promote or benefit a program or single organization.

Advertising and Public Relations - Use of meeting rooms, space, exhibits for nonspecialty crop activities

Unallowable for costs associated with the use of trade shows, meeting rooms, displays, demonstrations, exhibits, and the rental of space for activities that do not solely promote specialty crops.

- Supporting the participation of raspberry and blueberry producers at a nonspecialty crop specific international trade show to promote berries to an international audience is allowable, while renting a booth space for berry producers as well as wheat producers at an international trade show is not allowable.
- Supporting the participation of farmers' market managers at a national conference that is not specific to specialty crops is not allowable.
- Supporting a portion of a national conference that is not specific to specialty crops is not allowable, while supporting a session on specialty crops at a national conference that is not specific to specialty crops is allowable.
- Funding a "Vermont State Grown" booth at a specialty crop-specific venue where all exhibitors in the booth are specialty crop producers is allowable, but funding a "Vermont Grown" booth at a non-specialty crop specific venue is not allowable.

Advertising and Public Relations – Cookbooks, Cooking Demonstrations, Recipe Cards, Food Pairings

Allowable for costs promoting the specialty crops in processed products (products prepared or created for the purposes of promoting a specialty crop but that require other ingredients are considered a processed product). Processed product is defined as a product that consists of greater than 50% of the specialty crop by weight, exclusive of added water.

Unallowable for costs of separate complementary non-specialty crop products. A separate complementary non-specialty crop product is defined as a product closely associated with a specialty crop product, the purchase of one encouraging consumers to buy the other, e.g. cheese and wine.

Alcoholic Beverages

Unallowable for alcoholic beverages except when the costs are associated with enhancing the competitiveness of a processed product as defined above.

Aquaponics

Allowable as long as the crops that are being grown are eligible specialty crops and the focus of the project is on the specialty crops and not the fish. For more information on constructing or purchasing an aquaponics system, review **Equipment-General Purpose** and **Equipment – Special Purpose**.

- A project to determine whether carp, catfish, or tilapia are best for growing lettuce is acceptable.
- A project to study whether lettuce or tomato produced the highest yield of tilapia is not acceptable.
- A project to farm fish using an aquaponics system and then sell the fish is not acceptable.
- A project to grow specialty crops where both the specialty crops and the fish are sold is not acceptable.

Audiovisual Activities and Acknowledgement of Support

Allowable for the production of an audiovisual. "Audiovisual" is defined as any product containing visual imagery, sound, or both, such as motion pictures, films, CD's, live or recorded radio or television

programs or public service announcements, YouTube videos, slide shows, filmstrips, audio recordings, multimedia presentations, or exhibits where visual imagery, sound, or both are an integral part.

“Production” refers to the steps and techniques used to create a finished audiovisual product, including, but not limited to, design, layout, scriptwriting, filming or taping, fabrication, sound recording, and editing.

- A recipient with in-house production capability must determine whether it would be more efficient and economical to use that capability or to contract for the production of an audiovisual.
- In accordance with 7 CFR 3015.200, an acknowledgement of Federal support and a disclaimer may be placed on any audiovisual which has a direct production cost to the recipient over \$5,000.
- If the recipient chooses to add an acknowledgement of support, it must read as follows:
 - This publication [or project] was supported by the Specialty Crop Block Grant Program at the U.S. Department of Agriculture (USDA) through grant {Insert Grant Agreement Number}. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.
- Note that USDA symbols or logos are intended for the official use of the United States Department of Agriculture only. They are expressly excluded from use to imply endorsement of a commercial product or service. The symbol or logo may not be used by anyone outside of USDA without permission.

Communication Costs

Allowable. However, such costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are usually treated as indirect costs. The Vermont Specialty Crop Block Grant Program cannot fund indirect costs.

Construction and Renovation and Land or Building Acquisition

Unallowable for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations of an existing building or facility (including site grading and improvement, and architecture fees).

Building is defined as any permanent structure that is designed or intended for support, enclosure, shelter or protection of person, animals or property having a permanent roof that is supported by columns or walls.

Conferences

Allowable for costs of conferences. A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the recipient and is necessary and reasonable for successful performance under the award. Allowable conference costs paid by the recipient as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals (see **Meals** for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient must report those fees as program income (See also **Program Income**). AMS SCBGP encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room.

Contingency Provisions

Unallowable for contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening.

Contractual and Consultant Costs (Professional Services)

Allowable subject to limitations below. Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship.

The following factors are relevant in determining the allowability of contractual/consultant costs:

- (1) The nature and scope of the service rendered in relation to the service required.
- (2) The necessity of contracting for the service, considering the recipient's capability in the particular area.
- (3) The past pattern of such costs, particularly in the years prior to Federal awards.
- (4) The impact of Federal awards on the recipient's business (i.e., what new problems have arisen).
- (5) Whether the proportion of Federal work to the recipient's total business is such as to influence the recipient's in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.
- (6) Whether the service can be performed more economically by direct employment rather than contracting.
- (7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
- (8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

Allowable for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in your area (for more information please go to <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2014/generalschedule/>). This does not include fringe benefits, travel, indirect costs, or other expenses. Note that the Vermont Specialty Crop Block Grant Program cannot fund indirect costs. If rates exceed this amount, one of the following justifications must be provided:

- A description of the steps you took to hire a contractor, which includes obtaining a cost/price analysis. The purpose of the analysis is to review and evaluate each element of cost to determine reasonableness, allocability, and allowability; **OR**
- Due to the complexity or uniqueness of the project, the pool of available and qualified contractors is limited. Therefore, the selected contractor's specialized qualifications necessitate hiring at a rate beyond a GS-15 step 10. (Please outline the unique qualifications of the contractor.)

Documentation for consultants maintained by the receiving organization must include the name of the consulting firm or individual consultant; the nature of the services rendered and their relevance to the grant-supported activities, if not otherwise apparent from the nature of the services; the period of service; the basis for calculating the fee paid (e.g., rate per day or hour worked or rate per unit of service

rendered); the amount paid; and termination provisions. This information may be included in the consultant's invoice, in the report, or in another document.

Contributions or Donations

Unallowable for contributions or donations, including cash, property, and services, from the recipient to other entities. A non-profit entity using grant funds to purchase produce to donate to other entities and individuals is unallowable.

Depreciation or use allowances

Unallowable for depreciation or use charges on any portion of the cost of acquired under the AMS SCBGP.

Dues or Membership Fees

Allowable as an indirect cost for organizational membership in business, professional, or technical organizations or societies. Payment of dues or membership fees for an individual's membership in a professional or technical organization is allowable as a fringe benefit or an employee development cost, if paid according to an established organizational policy consistently applied regardless of the source of funds.

Entertainment

Unallowable. Entertainment costs include amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities).

Equipment - General Purpose

Unallowable for purchase costs but allowable for rental costs. "General purpose equipment" is tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000, and is used for other than research, scientific or other technical activities. Acquisition cost is defined as the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, tractors, reproduction and printing equipment, and motor vehicles.

Unallowable for purchase even if the AMS SCBGP share is less than \$5,000 of the general purpose equipment that costs \$5,000 or more. For policies governing the allowability of costs for rental of equipment, see **Rental or Lease Costs of Buildings, Vehicles, Land and Equipment** in this appendix.

Equipment - Special Purpose

Allowable provided the equipment with a unit cost of \$5,000 or more has prior approval from AMS SCBGP and meets the following conditions. Review **8.0 Changes Requiring Prior Approval**. (See <http://1.usa.gov/1z9QUjs>.)

“Special purpose equipment” is tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000, and is used only for research, scientific, or other technical activities. Acquisition cost is defined as the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal recipients’ regular accounting practices.

Capital expenditures (expenditures to acquire, make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations that materially increase the value or useful life) for special purpose equipment are allowable as direct costs, provided the following criteria is met:

- (1) Necessary for the research, scientific, or other technical activities of the grant
- (2) Not otherwise reasonably available and accessible
- (3) The type of equipment is normally charged as a direct cost by the organization
- (4) Acquired in accordance with organizational practice
- (5) Must only be used to solely enhance the competitiveness of specialty crops
- (6) The specialty crop industry, rather than a single commercial organization, commercial product, or individual, must benefit from the use of the equipment
- (7) Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services
- (8) The recipient that acquired the equipment with AMS SCBGP funds and the State department of agriculture awarding funds for the equipment must understand the non-federal recipient is subject to the full range of acquisition, use, management, and disposition requirements of **7 CFR parts 3019.34 and 3019.35** or **7 CFR parts 3016.32 and 3016.33** as applicable. (See <http://www.ecfr.gov/>.)

Recipients purchasing any special purpose equipment are encouraged to use such funds to purchase only American-made equipment or products. For policies governing the classification, use, management, and disposition of equipment, review **10.0 Property Management** in *SCBGP General Award Terms and Conditions* at <http://1.usa.gov/1z9QUjs>. For policies governing the allowability of costs for rental of equipment, see **Rental or Lease Costs of Buildings, Vehicles, Land and Equipment** in this appendix.

Fines, Penalties, Damages, and Other Settlements

Unallowable for costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations, except when incurred as a result of compliance with specific provisions of the Federal award, or with prior written approval of the AMS SCBGP.

Foreign Travel

Allowable with prior approval from AMS. Review **8.0 Changes Requiring Prior Approval** in *SCBGP General Award Terms and Conditions* at <http://1.usa.gov/1z9QUjs>.

Each separate foreign trip must receive prior approval from the AMS SCBGP. For purposes of this provision, “foreign travel” includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term “foreign travel” for a governmental unit located in a foreign country means travel outside that country. An applicant with a proposal that involves foreign market development must determine if the project is more appropriate for grant programs administered by the Foreign Agricultural Service or funded through the State-Regional Trade Groups. AMS SCBGP recommends that applicants search the Foreign Agricultural Service data base of GAIN reports (<http://gain.fas.usda.gov/Pages/Default.aspx>) to ensure that proposals will not duplicate information that already exists. Any proposal involving foreign travel must be well justified. See **Travel** and **General Costs of Government** in this appendix for more information on travel costs and restrictions.

Fundraising

Unallowable for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.

Goods or Services for Personal Use

Unallowable for costs of goods or services for personal use of the recipient’s employees regardless of whether the cost is reported as taxable income to the employees.

Health and Nutrition Messaging

Allowable when health and nutrition information complies with regulations and policies of the:

- Federal Trade Commission
<http://www.ftc.gov/about-ftc/bureaus-offices/bureau-consumer-protection>; **AND**
- U.S. Food and Drug Administration
<http://www.fda.gov/Food/IngredientsPackagingLabeling/LabelingNutrition/default.htm>.

Nutrition and health claims must be truthful, not misleading or deceptive, and include adequate disclaimers if appropriate.

Information Technology Systems

Allowable for website development, mobile apps, etc.

Unallowable for information technology systems having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established in accordance by generally accepted accounting principles (GAAP) by the non-Federal recipient for financial statement purposes or \$5,000. Acquisition cost is defined as the cost of the asset including the cost to ready the asset for its intended use. Acquisition costs for software includes those development costs capitalized in accordance with GAAP. (See <http://1.usa.gov/1z9QUjs> for additional detail.)

Insurance and Indemnification

Insurance associated with the purchase and maintenance of insurance and indemnification (liability protection) is usually treated as an indirect cost when it is used in connection with allowable grant

activities. In certain situations where special insurance is required as a condition of the grant because of risks peculiar to the project, the premium may be charged as a direct cost if doing so is consistent with organizational policy. Note that the Vermont Specialty Crop Block Grant Program cannot fund indirect costs.

The cost of insuring equipment, whether purchased with grant funds or furnished as federally owned property, normally should be included in indirect costs but may be allowable as a direct cost if this manner of charging is the normal organizational policy. Additional restrictions and exceptions apply, so consult the applicable cost principles.

Invention, Patent, or Licensing Costs

May be allowable provided that costs are authorized under applicable cost principles. Such costs include licensing or option fees, attorney's fees for preparing or submitting patent applications, and fees paid to the U.S. Patent and Trademark Office for patent application, patent maintenance, or recordation of patent-related information.

Investment Management Cost

Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments.

Lobbying

The recipient should obtain an advance understanding with the AMS SCBGP if it intends to engage in certain activities intended to influence Federal, State or local government entities. (See <http://1.usa.gov/1z9QUjs> for further detail.)

Meals

Unallowable for business meals when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered an entertainment cost.

Unallowable for breakfasts for conference attendees because it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning.

Unallowable for meal costs that are duplicated in meeting participant's per diem or subsistence allowances.

Allowable for lunch or dinner meals if the costs are reasonable and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.

Allowable for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.

Organization Costs

Unallowable for costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor, whether or not employees of the non-Federal entity in connection with establishment or reorganization of an organization, except with prior approval of the AMS SCBGP.

Participant Support Costs

Allowable for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, and focus groups. See also **Advertising and Public Relations - Coupons, Incentives or Other Price Discounts**.

Political Activities

Unallowable for development or participation in political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7326).

Pre-Award (Pre-Agreement Costs)

Allowable, if such costs are necessary to conduct the project or program, and would be allowable under the grant, if awarded. A recipient may incur pre-award costs without prior approval from AMS SCBGP at its own risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on the AMS SCBGP to award funds for such costs.

Proposal Costs

Generally considered an indirect cost. The Vermont Specialty Crop Block Grant Program cannot fund indirect costs.

Publication and Printing Costs and Acknowledgement of Support

Allowable for publication costs for electronic and print media, including distribution, promotion, and general handling. Publication costs also include page charges in professional publications. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the recipient. Page charges for professional journal publications are allowable as a necessary part of research costs where: (1) the research papers report work supported by the Federal Government; and (2) the charges are levied impartially on all research papers published by the journal, whether or not by federally-sponsored authors. Note that the Vermont Specialty Crop Block Grant Program cannot fund indirect costs.

- In accordance with 7 CFR 3015.200, an acknowledgement of Federal support and a disclaimer may appear in the publication of any material, whether copyrighted or not, based on or developed under a project. If the recipient chooses to add an acknowledgement of support, it must read as follows:
 - This publication [or project] was supported by the Specialty Crop Block Grant Program at the U.S. Department of Agriculture (USDA) through grant {Insert Grant Agreement Number}. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA.

- Note that USDA symbols or logos are intended for the official use of the United States Department of Agriculture only. They are expressly excluded from use to imply endorsement of a commercial product or service. The symbol or logo may not be used by anyone outside of USDA without permission.

Registration Fees

Allowable for attendance at conferences, symposiums, or seminars if necessary to accomplish project or program objectives.

Rental or Lease Costs of Buildings, Vehicles, Land and Equipment

Allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, vehicle, land or equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property, vehicle, land or equipment leased. The recipient should review rental arrangements periodically to determine if circumstances have changed and other options are available.

Allowable for rental costs under leases that create a material equity in the leased property, as defined in the applicable cost principles, only up to the amount that would be allowed had the recipient purchased the property on the date the lease agreement was executed. This would include depreciation or use allowances, maintenance, taxes, and insurance, but would exclude unallowable costs.

When a recipient transfers property to a third party through sale, lease, or otherwise and then leases the property back from that third party, the lease costs that may be charged to an AMS SCBGP grant generally may not exceed the amount that would be allowed if the recipient continued to own the property.

Allowable for rental costs under “less-than-arms-length” leases only up to the amount that would be allowed under the applicable cost principles had title to the property been vested in the recipient. A less-than-arms-length lease is one in which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to, those between divisions of an organization; between organizations under common control through common officers, directors, or members; and between an organization and its directors, trustees, officers, or key employees (or the families of these individuals), directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest.

Salaries, Wages, and Fringe Benefits

Allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.

Salary and wage amounts charged to grant-supported projects or programs for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with

generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations). Briefly summarized, acceptable systems are below.

Unallowable for salaries, wages and fringe benefits for project staff that devote time and effort to non-specialty crop specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. where costs cannot be specifically identified and easily and accurately traced to activities that solely enhance the competitiveness of specialty crops.

- Example: Salaries and wages for a farmers market manager to manage and advertise a farmers market that includes non-specialty crop items is unallowable, while salaries and wages for personnel to conduct a cooking demonstration on how to prepare fruits and vegetables is allowable

Scholarships and Student Aid Costs

Allowable for costs of scholarships, fellowships, and other programs of student aid only when the purpose of the Federal award is to provide training to selected participants. However, tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that:

- The individual is performing activities necessary to the grant;
- Tuition remission and other forms of compensation are consistently provided in accordance with established institutional policy and consistently provided in a like manner to students in return for similar activities conducted in under Federal awards as well as other activities;
- During the academic period, the student is enrolled in an advanced degree program at a non-Federal entity or affiliated institution and the activities of the student in relation to the federally sponsored research project are related to the degree program;
- The tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work; and
- It is the institution's practice to similarly compensate students under Federal awards as well as other activities.

Charges for tuition remission and other forms of compensation paid to students as, or in lieu of, salaries and wages are subject to the reporting requirements in Appendix A, J.10 of 2 CFR part 220, or an equivalent method for documenting the individual's effort on the project. Tuition remission may be charged on an average rate basis. (See <http://www.ecfr.gov/>.)

Supplies and Materials, Including Costs of Computing Devices

Allowable for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs. (See <http://1.usa.gov/1z9QUjs> for

additional detail.) For policies governing the classification, use, management, and disposition of supplies, review **10.0 Property Management** in *SCBGP General Award Terms and Conditions* at <http://1.usa.gov/1z9QUjs>.

Training and Education

Allowable when the training and education is required to meet the objectives of the project or program.

Travel

Allowable when travel costs are limited to those allowed by formal organizational policy; in the case of air travel, the lowest reasonable commercial airfares must be used. Recipients are strongly encouraged to take advantage of discount fares for airline travel through advance purchase of tickets if travel schedules can be planned in advance. Recipients should consider the use of alternative technologies such as teleconferencing or videoconferencing if they are available, appropriate for the project, and less costly.

Recipients that do not have formal travel policies and for-profit recipients' allowable travel costs may not exceed those established by the Federal Travel Regulation, issued by GSA, including the maximum per diem and subsistence rates prescribed in those regulations. This information is available at <http://www.gsa.gov>. If a recipient organization has no formal travel policy, these regulations will be used to determine the amount that may be charged for travel costs.

Unallowable for travel costs for conferences, venues, tradeshow, events, meetings, programs, conventions, symposia, workshops seminars, etc. that include non-specialty crop activities, such as farmers' market annual conferences and general marketing tradeshow, where these costs cannot be specifically identified and easily and accurately traced to activities that solely enhance the competitiveness of specialty crops.

- Example: Travel costs for personnel to travel to a farmers market conference is unallowable, while travel to a vegetable food safety educational session is allowable.

Appendix D: Examples of Past Awards & Achievements

Effectiveness of Triple Washing or Organic Sanitizer Treatment in Reducing *E. coli* Levels in Leafy Green Wash Water*

The Vermont Agency of Agriculture, Foods & Markets partnered with the University of Vermont (UVM) to improve produce safety by determining the effectiveness of various procedures in reducing *Escherichia coli* (*E. coli*) levels in leafy green wash water. UVM's water wash study determined that produce washes beyond the first wash greatly reduced the amount of *E. coli* in wash water. On average, *E. coli* levels decreased 88% with double washing and 97% with triple washing, demonstrating that large reductions are possible without the addition of sanitizer. The addition of an OMRI-approved sanitizer at concentrations recommended by the manufacturer most successfully and consistently reduced *E. coli* counts (99.8%). These findings will help leafy greens growers reduce bacterial cross-contamination in wash water, thereby reducing food safety risks to consumers.

Local Purchasing Best Practices*

The Vermont Agency of Agriculture, Foods & Markets partnered with the Northeast Organic Farming Association of Vermont (NOFA-VT) to help schools integrate local purchasing of fresh food in their school food programs and integrate nutrition education into their curriculum. NOFA-VT conducted four workshops highlighting seasonal specialty crops; approximately 250 individuals, representing 30 schools and numerous farms, participated in the workshops. Workshop evaluations showed that 60–65% of respondents were more aware of how to incorporate local fruit and vegetables into their menus thanks to their participation in the workshops. The workshops also provided a substantial networking opportunity, and participants reported that, on average, they made at least two connections with people within their region that could help them develop or advance their farm to school programs.

Marketing Assistance for Value-Added Producers

The Vermont Agency of Agriculture, Foods & Markets partnered with the Vermont Specialty Foods Association to promote specialty crops at the 2014 Summer Fancy Food Show, a signature annual event for the specialty foods industry. To highlight Vermont specialty crops, the Vermont Specialty Foods Association and Vermont Agency of Agriculture hosted a chef-led demonstration featuring an array of products—from jams and jellies to pure Vermont maple syrup. In addition, staff promoted Vermont agritourism, encouraging visitors to plan their trip at www.diginvt.com. Specialty Crop Block Grant Program funding was matched by the Vermont Dairy Promotion Council and the Vermont Specialty Foods Association. Funding also supported an export seminar titled “Tapping into the Canadian Market.” All of the business participants made products that consist of at least 50% specialty crops, including maple products, salsas, and dried jalapeno chips. Funds were used to bring in a Canadian market specialist who could provide technical assistance and market intelligence to specialty crop producers interested in accessing customers north of the border.

*Adapted from Agricultural Marketing Service, United States Department of Agriculture, Summer/Fall 2014 Educational Bulletin, vol. 7, iss. 2 (2014): 8.